



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

November 4, 2005

J. Peter Clements, Treasurer  
Republican Party of Virginia Inc.  
115 East Grace Street  
Richmond, VA 23219

**Response Due Date:**  
**December 5, 2005**

Identification Number: C00001305

Reference: April Monthly Report (3/01/05 – 3/31/05)

Dear Mr. Clements:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The outstanding balance of a debt owed to a creditor at the close of one report should be exactly the same as the beginning outstanding balance of the next report. The March Monthly Report (2/01/05 – 2/28/05) shows an ending balance to "Benedetti & Farris, LLC" of \$13,977.60, while this report shows a beginning balance of \$11,977.60. Please amend your report to clarify this discrepancy.

-Schedule D discloses \$11,383.78 in negative entries incurred this period to "Direct Mail Solutions" and "Feather Larson & Synhorst". Please amend your report to provide clarifying information regarding these transactions.

-Schedule D of your report discloses debts with negative opening balances. Please provide further clarification regarding these debts.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$20,052.85 for "Telemarketing", "Postage", "Direct Mail Exp./ Fundraising", and "Direct Mail Fundraising Exp.". Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office,

meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

-Please clarify all expenditures made for "Fundraising Consultants" and "Event Cost Reimb" on Schedule(s) B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-On Schedule H2, you have failed to check the Type of Activity box for the activity/event "Administrative ()". Please amend your report to correct this omission. 11 CFR §§104.10 and 104.17

-On Schedule H2, you disclose the ratio for "Administrative ()" to be revised; however, it appears that this activity/event was not previously reported. Please amend your report to clarify this discrepancy. 11 CFR §§104.10 and 104.17

-Schedule H2 of your report indicates that your committee participated in "Administrative ()" activities or events during the reporting period. However, there are no corresponding disbursements reflected on your Schedule H4. Note that you need not include activities on Schedule H2 if there are no corresponding payments made for the activity during the reporting period. If any disbursements were incorrectly reported, you should file an amended Schedule H4 with the correct activity or event identifier, or provide clarifying information regarding the activities on Schedule H2.

-Your February Monthly (1/01/05 – 1/31/05), March Monthly (2/01/05 – 2/28/05), and April Monthly (3/01/05 – 3/31/05) Reports discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee

including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Schedule B of your report discloses reimbursements to individuals for "Event Cost Reimb." Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information. If itemization is not necessary, you must indicate so in an amendment to this report. 11 CFR §104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-Schedule H4 of your report discloses reimbursements to individuals for "Mileage, Supplies Reimb" and "Mileage, Meals, Supplies Reimb". Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

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-Please be advised that Schedule H2 is used for shared federal and non-federal fundraising and direct candidate support activity. The ratio for shared administrative expenses is derived from Schedule H1 and should not be included on your Schedule H2. Please amend your report to clarify this apparent discrepancy.

-Please note, Schedule H2 of your report discloses an activity which is listed as 100% non-federal. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §§106.6(e) and 106.7(f) However, a 100% non-federal activity/event does not fall within the definitions of an allocable expense. Any transfer from a non-federal account to pay for such an activity would constitute an impermissible transfer of funds received by your federal account from your non-federal account.

-Please note that payments towards debts owed by or owed to your committee should be entered in the "payment this period" field, rather than entered as negative incurred amounts.

**Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1398.

Sincerely,



Michael H. Hartsock  
Campaign Finance Analyst  
Reports Analysis Division

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